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Your Health. Take Charge.



BENEFITS CHOICES 2010 OPEN ENROLLMENT NEWSLETTER - October 2009

Visit <http://hbe.sandia.gov> for up-to-date information

## Benefit Fairs for 2010

### Albuquerque

- **October 21 10:00 am – 2:00 pm**  
Steve Schiff Auditorium Bldg. 825
- **October 28 10:00 am – 2:00 pm**  
Steve Schiff Auditorium Bldg. 825

### Livermore

- **October 26 10:00 am – 2:00 pm**  
(Pacific Time) 904 Auditorium

## Presentation Agenda for All Benefit Fairs

### Benefit Choices Overview

11:00 am – 11:30 am

### Nuts and Bolts of Sandia Total Health

11:30 – Noon (Q&amp;A session to follow)

### Flexible Spending Accounts – PayFlex Systems

1:00 pm – 2:00 pm

## NM Spouse/ Employee Fair

- **October 22 10:00 am – 2:00 pm**  
UNM Continuing Education  
Conference Center, 1634 University NE,  
Albuquerque



# Take Charge. It's Decision Time — Benefits Choices 2010 Open Enrollment

It's time again to make your benefit election decisions for the upcoming calendar year. The web enrollment system will be available from October 19 through November 4.

Benefit elections will not be accepted after 5:00 pm (MST), November 4. All benefit elections take effect January 1, 2010. Employees can locate the web enrollment tool through HR Self-Service on the internal Tech Web page. It is your responsibility to thoroughly review your benefit enrollments for 2010 through the web-page "PeopleSoft Open Enrollment" between October 19 through November 4. This will be your only opportunity to make changes without a qualifying event.

**Important:** A CryptoCard is required if you want to make your elections from a remote location or home.

## What's changing for me in 2010?

- UHC Standard PPO Plan is being **eliminated** as a plan choice. All employees enrolled in this plan **must** select a new plan during Open Enrollment or they will be defaulted to the NEW Sandia Total Health. **Year Round Students** – This is the only medical plan option in 2010.

- Introduction of the Sandia Total Health with a Health Reimbursement Account (HRA), administered by UnitedHealthcare (UHC)

**Important:** In 2011, the Sandia Total Health with HRA will be the **only** medical program offered to non-represented employees (claim and network administrator(s) to be announced in 2010)

- UHC will administer the Health Care Flexible Spending Account for employees that enroll in the Health Care Flexible Spending Account and enroll in the Sandia Total Health

**Note:** Day Care Flexible Spending Account for all employees and Health Care Flexible Spending Accounts for employees that don't have Sandia Total Health will continue to be administered by PayFlex Systems

- Employee medical premium sharing will increase from 19% to 20% overall and the methodology for calculating premiums has changed
- Federal legislation known as "Michelle's Law" will be implemented – Unmarried step children, age 19 to 23, who are post-secondary school students and who must take a leave of absence from studies due to a serious illness or injury, can continue coverage under the medical, dental, and/or vision plan for up to 12 months (unless the child's eligibility would end earlier for another reason)
- Dental premiums are increasing slightly

# Do you need to use the Web Based Open Enrollment Application?

	Take Action	No Action
<b>Medical Coverage</b>	<ul style="list-style-type: none"> <li>• To enroll in a new medical plan if you are currently in the UHC Standard PPO Plan and you do not want default enrollment to the NEW Sandia Total Health</li> <li>• To enroll if not currently enrolled</li> <li>• To change your current medical plan</li> <li>• To add or disenroll a dependent</li> <li>• To waive coverage</li> </ul>	<ul style="list-style-type: none"> <li>• No change in your current medical coverage</li> <li>• No change if you are currently enrolled in the UHC Standard PPO and you want to be enrolled in the Sandia Total Health</li> </ul>
<b>Dental Coverage</b>	<ul style="list-style-type: none"> <li>• To enroll if not currently enrolled</li> <li>• To add or disenroll a dependent</li> <li>• To waive coverage</li> </ul>	<ul style="list-style-type: none"> <li>• No change in your current dental coverage</li> </ul>
<b>Vision Coverage</b>	<ul style="list-style-type: none"> <li>• To enroll if not currently enrolled</li> <li>• To add or disenroll a dependent</li> <li>• To waive coverage</li> </ul>	<ul style="list-style-type: none"> <li>• No change in your current vision coverage</li> </ul>
<b>Flexible Spending Accounts (FSA)</b>	<ul style="list-style-type: none"> <li>• To enroll in a Health Care FSA for 2010 (even if you participated in 2009)</li> <li>• To enroll in a Day Care FSA for 2010 (even if you participated in 2009)</li> </ul>	<ul style="list-style-type: none"> <li>• To not be enrolled for 2010</li> </ul>
<b>Vacation Buy Plan</b>	<ul style="list-style-type: none"> <li>• To enroll for 2010 (even if you participated in 2009)</li> </ul>	<ul style="list-style-type: none"> <li>• To not be enrolled for 2010</li> </ul>
<b>Voluntary Group Accident Insurance (VGA)</b>	<ul style="list-style-type: none"> <li>• To enroll, disenroll or change coverage</li> </ul>	<ul style="list-style-type: none"> <li>• No change in your Voluntary Group Accident Insurance Coverage</li> </ul>

## Enrolling Eligible Dependents

You can add eligible dependents to your medical, dental, and/or vision plan when you first enroll in the plan or during the annual Open Enrollment period. You may be able to enroll dependents during the plan year ONLY when you experience a qualified life event, such as marriage, birth or loss of other coverage, that allows enrollment in the plan. Please refer to the Sandia Health Benefits Plan for Employees Summary Plan Description for qualifying mid-year election change events. The change must be made within 31 calendar days of the event (60 days for birth and adoption) or you will have to wait until the next annual Open Enrollment period to add your dependent.

**Important:** Although your dependent may be eligible for and enrolled in the medical, dental, and/or vision plan, it is important that you determine if your dependent qualifies as a qualifying child or qualifying relative under Internal Revenue Service Publication 502 to determine whether imputed income applies to the premiums. If your dependent does not meet the criteria as a qualifying child or qualifying

relative under the tax code, you are required to contact the Benefits Department to determine whether any imputed income may apply for that nonqualified dependent. Please refer to the Sandia Health Benefits Plan for Employees Summary Plan Description, Section 3 Eligibility for more information.

## Disenrolling Ineligible Dependents

You can disenroll dependents during the Open Enrollment period. During the year, if your dependent becomes ineligible for any reason, you must disenroll your ineligible dependent within 31 calendar days of the dependent becoming ineligible.

## Consequences of Not Disenrolling an Ineligible Dependent

The consequences of having an ineligible dependent covered and failing to disenroll

a dependent within the allowed time frame are significant; they include:

- Your ineligible dependent's coverage will be retroactively terminated, effective the end of the month in which the dependent became ineligible
- You will be held liable to refund to Sandia all health care plan claims or monthly premiums rendered during the ineligible period
- Sandia is not liable to repay you for any health care plan monthly premium share(s) paid by you during the ineligible period
- Sandia may take employment disciplinary action up to and including termination
- Your dependent could lose any rights to temporary, continued health care coverage under COBRA



# 2010 Class I and Class II Eligibility Policy

Verifying your dependent meets the current criteria is important!

## Class I Dependents

Eligibility for coverage under the Sandia Health Benefits Plan for Employees.

Dependent Category	Eligibility	Must meet all applicable requirements
<b>Spouse</b>	To any age	<ul style="list-style-type: none"> <li>Not legally separated or divorced from you</li> </ul> <b>Note:</b> An annulment also makes the spouse ineligible for coverage.
<b>Same-gender domestic partner</b>	To any age	<ul style="list-style-type: none"> <li>Is the same gender as you</li> <li>Shares significant financial resources and dependencies</li> <li>Has resided with you continuously for at least six months in a sole-partner relationship that is intended to be permanent (a marriage certificate with your same-gender partner can be substituted for this requirement)</li> <li>Is not married to someone of the opposite gender</li> <li>Is not related to you by blood (e.g., sibling, parent, child, cousin, niece, uncle)</li> <li>Is at least 18 years of age</li> </ul>
<b>Your or your same-gender domestic partner's natural child, child placed for adoption or adopted child, or a child for whom you have legal guardianship</b>	To age 24	<ul style="list-style-type: none"> <li>Unmarried</li> </ul>
<b>Your Stepchild</b>	To age 19	<ul style="list-style-type: none"> <li>Unmarried</li> <li>Lives with you at least 50% of the calendar year</li> </ul>
	19 to age 24 <sup>1</sup>	<ul style="list-style-type: none"> <li>Unmarried</li> <li>Full-time student</li> </ul>
<b>Your or your same-gender domestic partner's natural child, legally adopted child, or child for whom you have legal guardianship who is recognized as an alternate recipient under a Qualified Medical Child Support Order</b>	To age 24	<ul style="list-style-type: none"> <li>Unmarried</li> <li>If a court decree requires the primary covered member to provide coverage</li> </ul>
<b>Your or your same-gender domestic partner's over age disabled child</b>	Age 24 or older	<ul style="list-style-type: none"> <li>Unmarried</li> <li>Permanently and totally disabled according to the medical claims administrator<sup>2</sup></li> <li>Unable to engage in any substantial gainful activity by reason of medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than one year according to the claims administrator</li> <li>Who lives with you, in an institution or in a home that you provide</li> <li>Who is financially dependent on you</li> </ul> <b>Note:</b> Kaiser Permanente has the following additional requirements: <ol style="list-style-type: none"> <li>Dependent is incapable of self-sustaining employment because of mental retardation or physical handicap that occurred prior to reaching the age limit for dependents</li> <li>Receive substantially all of their support and maintenance from you and your spouse</li> <li>You submit proof of their incapacity within 31 days after Kaiser requests it</li> </ol>
<b>(Kaiser HMO only) Other unmarried dependent persons</b>	To age 24	<ul style="list-style-type: none"> <li>He or she receives from you or your spouse all of his or her support and maintenance</li> <li>He or she permanently resides with you</li> <li>You or your spouse is the court-appointed guardian (or was before the person reached age 18) or whose parent is an enrolled dependent under your family coverage</li> </ul>

<sup>1</sup>Unmarried step children age 19 to 23 who are post secondary school students and who must take a leave of absence due to a serious illness or injury, can continue coverage under medical, dental, and/or vision plan for up to 12 months (unless the child's eligibility would end earlier for another reason).

<sup>2</sup>If only enrolled in both dental and vision, permanently and totally disabled status will be determined by the dental claims administrator.

## 2010 Class I and Class II Eligibility Policy (cont.)

### Class II Dependents

No additional Class II Dependents can be enrolled in any of the Sandia medical plans.

To continue to qualify for medical coverage, a Class II dependent must:

- be unmarried (unless they are your or your spouse's or same-gender domestic partner's parent, step-parent, or grandparent).
- be financially dependent on you.
- have a total income, from all sources, of less than \$15,000 per calendar year other than the support you provide.
- have lived in your home, or one provided by you in the United States, for the most recent six months.

All enrolled primary members are responsible for determining if their dependents meet the eligibility requirements of Sandia's health plans. This is very important as Sandia reserves the right to conduct dependent eligibility audits to ensure an enrolled dependent is eligible for coverage under the terms of the plans.

## 2010 Medical Plans at a Glance

Employees currently in the UHC Standard PPO Plan must select a new plan during Open Enrollment or you will be automatically enrolled in the NEW Sandia Total Health for calendar year 2010.

	UnitedHealthcare Premier PPO	Sandia Total Health administered by UnitedHealthcare	CIGNA In-Network	Kaiser HMO California Only
Type of Plan	Preferred Provider Organization (PPO)	Consumer Directed Health Plan	Exclusive Provider Organization (HMO Look-Alike)	Health Maintenance Organization (HMO)
Provider Network in New Mexico	Presbyterian UNMH Independent Providers	Presbyterian UNMH Independent Providers	Lovelace Health System UNMH Independent Providers	Not Applicable
In/Out Network Coverage	Both	Both	In-Network Only	In-Network Only
Referrals to Specialist Required	No	No	No	Some Services
Plan Design	Primarily Coinsurance	Coinsurance	Primarily Copays	Copays
	Out of Network Deductible	In and Out of Network Deductible	No deductible	No deductible
Prescription Drug Program Administrator	Catalyst Rx	Catalyst Rx	Catalyst Rx	Kaiser

All regular employees, post-docs, limited term employees, and year-round students enrolled in a post-secondary program are eligible to participate in a Medical Plan. **Note:** The Sandia Total Health is the only plan option available to year round students



## Medical Plans Comparison Chart:

You can use the Employee Medical Plan Comparison Chart (which will be mailed to you) to compare plan designs (copay, coinsurance, etc) and other limitations or restrictions identified for each plan.

## Medical Plan Estimator Tool:

Employees can use the Medical Plan Estimator Tool at [www.active.sandia-estimator.com](http://www.active.sandia-estimator.com)

to compare the plans' costs against each other. You simply enter your salary tier information, family tier coverage level and the services anticipated for yourself and your family members during the following calendar year. The Medical Plan Estimator is designed to give you a general idea of what your costs might be under each of the options based on:

- The services you think you and other covered family members will use.
- The estimated cost of care in the geographic area you select, using discounted Preferred PPO rates for in-network care costs, and reasonable & customary (R&C) costs to determine the cost of care outside the network.

The tool gives you a picture of what you are likely to pay for services, supplies and annual cost of the monthly premium share over the course of the year.

## Medical Plan Premiums

### Employee Medical Premium Sharing— Effective January 1, 2010

The following table provides the monthly premium-share amounts for non-represented employees for each of the plans

Medical program and family coverage tier	Tier 1*	Tier 2**	Tier 3†	Tier 4††
<b>Sandia Total Health<sup>+</sup></b>				
<b>Employee only</b>	\$44	\$63	\$82	\$101
<b>Employee and child(ren)</b>	\$80	\$114	\$148	\$182
<b>Employee and spouse</b>	\$90	\$129	\$168	\$207
<b>Employee, spouse, and child(ren)</b>	\$128	\$183	\$238	\$293
<b>UnitedHealthcare Premier PPO</b>				
<b>Employee only</b>	\$49	\$70	\$91	\$112
<b>Employee and child(ren)</b>	\$88	\$126	\$164	\$202
<b>Employee and spouse</b>	\$101	\$144	\$187	\$230
<b>Employee, spouse, and child(ren)</b>	\$142	\$203	\$264	\$325
<b>CIGNA In-Network</b>				
<b>Employee only</b>	\$54	\$76	\$98	\$120
<b>Employee and child(ren)</b>	\$96	\$136	\$176	\$216
<b>Employee and spouse</b>	\$111	\$156	\$201	\$246
<b>Employee, spouse, and child(ren)</b>	\$156	\$220	\$284	\$348
<b>Kaiser Permanente HMO (CA only)</b>				
<b>Employee only</b>	\$47	\$67	\$87	\$107
<b>Employee and child(ren)</b>	\$85	\$121	\$157	\$193
<b>Employee and spouse</b>	\$96	\$137	\$178	\$219
<b>Employee, spouse, and child(ren)</b>	\$136	\$194	\$252	\$310

<sup>+</sup> Year Round Student Interns are only eligible for the Sandia Total Health and the monthly premium share falls under Tier 1.

\* Tier 1: Base salary of up to \$50,000 as of January 1, 2010

\*\* Tier 2: Base salary of \$50,001 to \$80,000 as of January 1, 2010

† Tier 3: Base salary of \$80,001 to \$130,000 as of January 1, 2010

†† Tier 4: Base salary of \$130,001 or above as of January 1, 2010

### Class II Dependents

- Class II dependents for whom you currently pay a Class II premium will not be counted as dependents in calculating the premiums stated above.
- Any Class II dependents for which you do not pay the full Class II premium will be counted as dependents for premium sharing in the calculation.

#### The monthly premium for a non-Medicare Class II dependent is:

\$268.10 for the Sandia Total Health

\$298.90 for the UnitedHealthcare Premier PPO Plan

#### The monthly premium for a Medicare Class II dependent is:

\$214.90 for the UnitedHealthcare Senior Premier PPO Plan

# 2010 Medical Plan Changes >> Effective January 1, 2010

## UnitedHealthcare Standard PPO Plan is being eliminated as a plan choice.

Employee currently enrolled in this plan should carefully evaluate the medical plan options offered. Employees **must** select another medical plan option during Open Enrollment or they will be automatically enrolled in the NEW Sandia Total Health.

## Introducing the NEW Sandia Total Health

The Sandia Total Health is administered by UnitedHealthcare (UHC). This Consumer Directed Health Program allows members to see any licensed provider, although benefits are greater when care is received from a UHC network provider. This program includes an employer funded Health Reimbursement Account. The pharmacy benefit is administered by Catalyst Rx. See Sandia Total Health Employee Toolkit located at [HBE.sandia.gov/Take Charge](http://HBE.sandia.gov/Take Charge) for more information.

## Health Reimbursement Account (HRA)

The HRA account is administered by UnitedHealthcare. The HRA gives you direct access to your healthcare dollars and the benefit of reimbursing you for some of your out-of-pocket costs. Employees receive the maximum contribution upon completion of an iHealth - Health Assessment (CA employees must use the Health Calc

assessment tool) and completion of biometric screening obtained through the onsite clinic or through your Primary Care Physician during your annual physical.

Your HRA will be established under the health expense reimbursement component of the Sandia Total Health. This component of the Sandia Total Health allows Sandia to allocate a specific dollar amount into an HRA on a calendar year basis. The amount of dollars allocated to your HRA is determined by Sandia and depends on the coverage category you choose. Amounts allocated are per coverage tier category and not per family member.

**Note:** The HRA account should not be confused with a Flexible Spending Account. The HRA is not a Flexible Spending Account.

Employees can have both the HRA and the Health Care Flexible Spending Account.

Employees can complete the Health Assessment and biometric screening anytime between January 1, 2009 and December 31, 2009. In order to have your HRA amount available to you on January 1, 2010, you must complete the Health Assessment and biometric screening by December 31, 2009. Employees will have a 90-day grace period after the required December 31, 2009 deadline to schedule and seek the biometric screening from the on-site clinic or your Primary Care Physician (PCP) to get the required screening. The HRA account will be funded by April 30, 2010.

Coverage Category	Annual Allocation of HRA Dollars if Health Assessment and biometric screening are taken <sup>1</sup>	Annual Allocation of HRA Dollars if Health Assessment and/or biometric screening are NOT taken <sup>1</sup>
Primary Covered Member Only	\$250	\$0
Primary Covered Member +Spouse or +Child(ren)	\$500	\$250
Primary Covered Member + Spouse + Child(ren) (also referred to as family)	\$750	\$500

<sup>1</sup>This is the only amount that will be placed in your HRA during the calendar year and may be used for any combination of Network and non-Network Covered Health Services, including eligible prescription drugs purchased through Catalyst Rx.

### CIGNA In-Network Changes: **None**

### UnitedHealthcare (UHC) Premier PPO Changes: **None**

### Kaiser HMO (CA Only) Changes:

Changes Effective January 1, 2010

#### Behavioral Health Benefits

Mental Health Inpatient

- Maximum of 45 days per calendar year no longer applies

Mental Health Outpatient

- Maximum of 20 visits per calendar year no longer applies

## Vision Care Program (VCP)

Changes effective January 1, 2010 – None

### Have annual optical needs? Save some money by using the Sandia VCP

The Vision Care Program is the company-paid vision program. The Vision Care Program is a basic benefit designed to encourage regular eye examinations, assist with the expenses for needed eyeglass frames and corrective lenses, and help offset the cost of additional eyewear purchases through a network provider. Currently, the Vision Care Program is administered by Davis Vision. All regular employees, post-docs, and limited term employees, are eligible to participate in VCP (except student interns).

**For more information see the Vision Care Program Summary.**

# Dental Care Program (DCP)

## Changes effective January 1, 2010 – Premiums are increasing slightly

Employees will continue to have the Dental Care Program. The Dental Care Program is a coinsurance program administered by Delta Dental of Michigan. All regular employees, post-docs, and limited term employees, are eligible to participate in DCP (except student interns).

Delta Dental will issue identification cards under the primary subscriber with a unique identification number. The ID card only lists the primary covered member and the alternate ID number is just one number that all family members use. One card will be issued for single and two cards per family, additional ID cards can be ordered through the Delta Dental toolkits website at [www.toolkitsonline.com](http://www.toolkitsonline.com)

### Program Highlights

Eligible expenses will result in a \$50 individual annual deductible (with a \$150 family maximum), with the exception of preventive and orthodontic services. The annual maximum for all expenses is \$1,500 per person. The lifetime orthodontic maximum is \$1,800 per person. Sealants for children under 14 will be covered under the preventive benefit. Employees will pay a monthly premium share, on a pre-tax basis.

There are three options when you access care under the DCP. You can access a dentist upon point of service through the Delta Dental PPO network, the Delta Dental Premier

network, or out-of-network. Reimbursement, depending upon which access point you use, is shown in the chart below:

### Dental Care Program Monthly Premiums for 2010

Employee only	\$8
Employee plus one	\$16
Employee plus two	\$22

**For more information see the Dental Care Program Summary.**

	Delta Dental PPO Reimbursed as a % of the Maximum Approved Fees applicable to Delta Dental PPO Network	Delta Dental Premier Reimbursed as a % of the Maximum Approved Fees applicable to Delta Dental Premier Network	Out-of-Network Reimbursed as a % of the Maximum Approved Fees applicable to Delta Dental Premier (balance billing protections do not apply)
Preventive Care	100%	100%	100%
Basic and Restorative	80%	80%	80%
Major and Orthodontic (including specified types of implants)	50%	50%	50%

# Flexible Spending Account

The Flexible Spending Accounts are authorized under federal tax law and were established by Sandia for employees' benefit. The Plan allows you the option to set aside tax-free dollars from your paychecks to pay for eligible health care and day care expenses.

All regular employees, post-docs, and limited term employees, are eligible to participate in this plan (except student interns).

**This program requires re-enrollment every year.**

## Health Care Flexible Spending Account (HCFSAs)

### Changes Effective January 1, 2010

**Important:** For employees enrolled in the Sandia Total Health and a 2010 Health Care Flexible Spending Account (HCFSAs), your HCFSAs will be administered by UnitedHealthcare (not PayFlex). This will allow full claims processing automation between the medical plan, Health Reimbursement Account and the Health Care Flexible Spending Account.

### HCFSAs Highlights

The HCFSAs is limited to a minimum annual amount of \$100 up to a maximum amount of \$5,000.

- Eligible expenses include annual deductible amounts, copayments, coinsurance, and eligible out-of-pocket for medical, dental, and vision expenses not fully covered by these plans.
- Eligible over-the-counter medications, such as allergy, antacids, cold medications and pain relievers are eligible for Flexible Spending Account reimbursement.
- These expenses must be for you or dependents you claim as exemptions on your tax return.
- Eligible expenses do not include the cost of foods, including reduced-calorie diet foods.
- Your full election amount is available to you for eligible expenses at any time during the plan year.

## Day Care Flexible Spending Account (DCFSAs)

### Changes Effective January 1, 2010-- None

### DCFSAs Highlights

- The DCFSAs is limited to a minimum annual amount of \$100 up to a maximum amount of \$5,000 (based upon spouse's annual income and your tax filing status).
- Eligible expenses include costs for a child care provider or qualified child care center for your children under age 13.
- Also eligible are costs for a home care provider or a qualified care center for your spouse or other qualified dependents who are physically or mentally incapable of self-care and whom you claim as an exemption on your tax return.
- You can be reimbursed only up to the balance currently in your DCFSAs at any time during the plan year.

> more on page 9

## What's the difference? Health Reimbursement Account (HRA) vs. Health Care Flexible Spending Account (HCFSA) For Sandia Total Health Members

	Health Reimbursement Account (HRA)	Health Care Flexible Spending Account (HCFSA)
<b>Both Accounts administered by UnitedHealthcare</b>		
<b>Eligibility and Enrollment</b>	To participate, you must enroll in Sandia Total Health and complete your biometric screening and the Health Assessment.  Outside of enrolling in Sandia Total Health, there isn't a separate enrollment process for the HRA.	You may enroll in a HCFSA.  You must enroll during Open Enrollment each year. You also may be eligible to enroll during the year based on an eligible mid-year enrollment election event.
<b>Funding</b>	You earn your portion of Sandia's annual HRA contribution (\$250) by meeting the criteria listed above. The portion of the contribution for your dependents does not require any action. The amount Sandia contributes is based on the medical plan family coverage tier you are enrolled in: <ul style="list-style-type: none"><li>• \$250 for Employee-Only</li><li>• \$500 for Employee + Spouse or Child(ren)</li><li>• \$750 for Employee + Spouse + Child(ren)</li></ul>	You fund your HCFSA each paycheck with pre-tax dollars. You can set aside a minimum of \$100 up to maximum of \$5,000 each calendar year. It's important to use only predictable expenses and carefully estimate your contribution amount. HCFSA funds are use it or lose it and do not roll-over to the next plan year.
<b>Taxable Income</b>	No — The notional account is not considered taxable income.	No — Account funding is processed pre-tax with no federal, state, Social Security or Medicare tax withheld.
<b>Eligible Expenses</b>	You can only use the money in your HRA to pay your share of eligible medical and prescription drug expenses that would have been reimbursable by Sandia Total Health, such as the deductible and coinsurance. The HRA contribution cannot be used to pay for dental, vision and eligible over-the-counter expenses.	You can use the money in your HCFSA to pay for eligible healthcare expenses, such as medical, dental, vision and prescription drug expenses that have not been reimbursed by the Sandia Total Health, your dental or vision plan, as well as eligible over-the-counter expenses.
<b>Claims Reimbursement</b>	<p><b>Medical claims will be filed automatically as follows:</b></p> <p><b>First,</b> Your healthcare provider will file a medical claim for any medical services you receive through the UHC network.</p> <p><b>Second,</b> If the service requires that you pay the deductible or coinsurance, UHC will look to see if you have funds in your HRA. If you do, UHC will pull your share of the cost of the service from your HRA and pay the provider directly.</p> <p><b>Third,</b> If HRA funds are exhausted HCFSA funds will be used second, up to the funds available. (If you have setup and funded a HCFSA)</p> <p><b>Forth,</b> If there is a balance due, you will receive a monthly health statement explaining how much to pay the provider.</p>	<p><b>There are three ways that claims can be paid from your HCFSA for eligible expenses.</b></p> <p><b>First,</b> medical claims that are submitted automatically may pull funds from the HCFSA after the HRA is exhausted and pay the provider directly.</p> <p><b>Second,</b> you may pay at the point of service or pharmacy with the provided debit card</p> <p><b>Third,</b> you may submit a claim manually just log on to <a href="http://www.myuhc.com">www.myuhc.com</a> to find manual-reimbursement claim forms and instructions.</p>
	<p>All Sandia Total Health enrollees will be provided a new user packet with instructions on using the accounts, eligible expenses, direct deposit setup and claim filing.</p> <p>Members can deactivate the automated claim process (all HRA and HCFSA claims must be filed manually and you cannot use your debit cards), set up direct deposit, obtain claim filing forms and view their account by logging on to <a href="http://www.myuhc.com">www.myuhc.com</a>.</p> <p>Claims processed automatically will be paid to the provider directly unless you have turned off the auto feature or already paid the provider. If you have already paid the provider then you will receive the reimbursement by check or direct deposit as selected.</p>	
<b>Debit Card</b>	<p>While most of your claims will be paid automatically, you will receive a debit card that can be used for HCFSA and HRA purchases at the pharmacy or for providers that require payment at the time of service.</p> <p><b>Note:</b> Not all pharmacies can accept debit cards (including Walgreens and COSTCO), for a listing of participating pharmacies check the Take Charge website under Tools and Resources at <a href="http://hbe.sandia.gov">hbe.sandia.gov</a>.</p> <p>If the pharmacy you use does not participate, you should pay for your purchases directly. Prescription items that were billed through the pharmacy will be automatically submitted for reimbursement. You will need to submit claims for eligible over the counter items manually. Go to <a href="http://www.myuhc.com">www.myuhc.com</a> for forms and instructions.</p>	
<b>Unused Account Balances</b>	Balances left in your HRA at the end of the year roll over to your HRA for the next year (up to a maximum of 5 times Sandia's annual contribution amount).	You must use your entire HCFSA account balance during the year/ grace period. Funds left in the account are lost and used to pay Sandia plan administration costs. These funds do not roll over to the next plan year.



## Flexible Spending Accounts (cont.)

- To be eligible for this account if you are married, both you and your spouse must be working full or part-time or your spouse must attend school full time.
- Eligible expenses do not include amounts you pay for food, clothing, entertainment, transportation, overnight camp, or education.

### Election Guidelines for both HCFA and DCFA

- Be conservative in your election amount! The IRS requires that unused money be forfeited.
- Changes to your participation election(s) can be made only if you have a qualifying event during 2010. You must notify Benefits in writing within 31 calendar days of the mid-year election change event

to change your election amount, or to disenroll or enroll in the Plan.

- Deductions will be taken evenly from 26 pay periods in 2010.
- Contributions to the FSA Plan do not affect what you put into the Sandia Savings Plans.
- Keep ALL of your FSA documentation with your tax records (including debit card receipts).

### Debit Cards

Both PayFlex and UnitedHealthcare have Debit Cards to be used as an alternative method to pay and process your eligible out-of-pocket health care costs.

For more detailed plan options and benefits, refer to the Flexible Spending Account Summary Plan Description.

### Flexible Spending Account Savings Calculator

The FSA Savings Calculator will help you itemize unreimbursed health and dependent care expense and estimate your annual increase in spendable income if you should choose to participate in the Flexible Spending Account plan. Visit Payflex website at <https://www.payflex.com/mypayflex/savingsCalculator.htm> to access the tool and other valuable FSA educational materials.

## Vacation Buy Plan **Need work/life balance? – Buy some extra time in 2010!**

Sandia's Vacation Buy Plan (VBP) allows participants to purchase vacation on a pre-tax basis. By participating in VBP, employees can spread out the financial impact of purchasing additional paid time off over the course of a calendar year. Contributions are deducted evenly from your biweekly paychecks throughout the calendar year, beginning with the second paycheck of the year. Unused purchased vacation will not be carried into the next calendar year and will be sold back in the last paycheck in December at the same rate as purchased.

All regular employees, post-docs, and limited term employees, are eligible to participate in VBP (except student interns). Eligible employees may purchase between 8 and 44 hours, deducted evenly from biweekly paychecks throughout the calendar year.

**This program requires re-enrollment every year.**

### Guidelines

- A minimum of 8 hours to a maximum of 44 hours of vacation may be purchased on a pre-tax basis.
- The cost for these vacation hours is automatically deducted from your paycheck throughout the calendar year before taxes are taken out.
- When you take purchased vacation hours, you will be paid at the same rate as purchased and you will be taxed on this amount.
- The cost of each vacation hour you purchase is determined by dividing your full-time annual base pay as of the beginning of the calendar year by 2,080.

- Carryover, accrued/posted, and convertible vacation must be used before using purchased vacation.
- Full-time employees may take purchased vacation hours in half- or full-day increments.
- Part-time employees may take purchased vacation in one-hour increments.
- When taking purchased vacation, enter project/task numbers 10000.310 and the number of hours taken on your timecard.
- Purchased vacation hours must be used by the last timecard that is paid in the current calendar year.

### Tip for Managing Your Bought Vacation

Consider using your total bought vacation early in the calendar year when your vacation balance is low. Employees that hold on to the bought vacation may run into charging barriers because they have accrued too much vacation into their balance. Remember, in order for your bought vacation to be charged, you must physically place the bought vacation code (A310) on your timecard.

**For more detailed plan options and benefits, refer to the Vacation Buy Plan Summary Plan Description**

# Voluntary Group Accident Plan (VGA) offered by The Hartford

This accident insurance may be purchased by employees for personal or family coverage. Participation in the program is completely voluntary for employees. Employees may purchase this plan or change coverage only during Open Enrollment for coverage beginning on January 1, 2010. However, enrolled participants may disenroll at any time during the year.

**Take no action if you are satisfied with your current coverage. Your current coverage will continue through 2010 unless you cancel or change coverage.**

All regular employees, post-docs, and limited term employees, are eligible to participate in VGA (except student interns).

## Coverage Amounts and Plans

Coverage is available from \$10,000 to \$300,000 in increments of \$5,000. Total coverage in Plan I-A, Plan I-B, and Plan II must not exceed \$300,000. Employees may select any combination of:

- **Plan I-A:** Employee-Only Coverage.
- **Plan I-B:** Family Plan may include employee, spouse, and children. Specific rules apply to coverage of dependents. The election amount chosen will result in a benefit amount as follows: spouse only, 50% of election amount; spouse and children, 40% and 10% each; children only, 15% each.

- **Plan II:** Employee-Only Common Carrier insurance covers the employee for accidents aboard public transportation.

## Voluntary Group Accident Insurance (VGA) Premiums

The minimum Principal Sum for Plan I or II is \$10,000. You may choose one of the Plans or any combination of I-A, I-B, and/or II, not to exceed a maximum combined benefit of \$300,000. The cost for this coverage is based on the Principal Sum elected, as shown in the table below.

Monthly Cost for Coverage Effective January 1, 2010			
Principal Sum	Plan I-A Employee Only 24-Hour Coverage	Plan I-B Family Plan 24-Hour Coverage	Plan II Employee Only Common Carrier
<b>\$10,000</b>	\$.27	\$.43	\$.05
<b>25,000</b>	.68	1.08	.13
<b>50,000</b>	1.35	2.15	.25
<b>75,000</b>	2.03	3.23	.38
<b>100,000</b>	2.70	4.30	.50
<b>150,000</b>	4.05	6.45	.75
<b>200,000</b>	5.40	8.60	1.00
<b>250,000</b>	6.75	10.75	1.25
<b>300,000</b>	8.10	12.90	1.50

## Premium Payment

Payroll deductions will begin in December 2009 for coverage effective January 1, 2010.

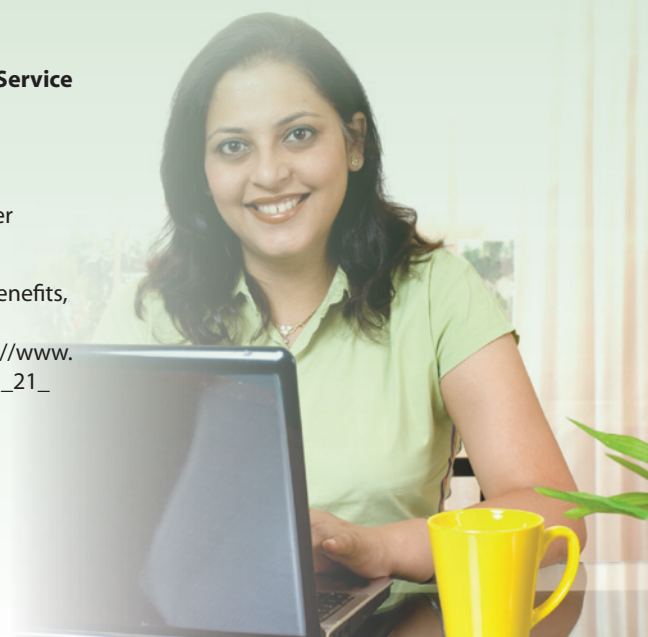
This coverage is offered to Sandia employees by The Hartford. Sandia's roles, with respect to the program, are to permit the insurer to publicize the program to employees, to collect premiums through payroll deductions, and to remit them to the insurer.

All matters, such as a change of beneficiary or a claim for benefits, are to be taken up directly with the Program Administrator:

**The Hartford  
Group Benefits Division, Customer Service  
P. O. Box 2999  
Hartford, CT 06104-2999**

Or Call 800-523-2233 (provide policy number ADD-S06402 and policyholder [Sandia])

For more detailed plan options and benefits, refer to the Hartford Voluntary Group Accident Benefit Plan document [http://www.sandia.gov/benefits/spd/pdfs/vgaspd\\_21\\_web.pdf](http://www.sandia.gov/benefits/spd/pdfs/vgaspd_21_web.pdf) or call the number above.



## Medicare Part D Eligible Individuals – Notice of Creditable Coverage

Each year, Sandia is required to provide a “Notice of Creditable Coverage” to all members enrolled in self insured medical plans to explain how the prescription drug coverage provided by their medical plans compares to Medicare’s prescription-drug coverage. This notice, sent with the email containing this newsletter, has information about current prescription drug coverage under the self-insured medical plans and prescription-drug coverage available for people with Medicare. You are encouraged to read this notice to understand any implications that may apply to you and/or your covered dependents.

## Women’s Health and Cancer Rights Act of 1998

The Women’s Health and Cancer Rights Act (WHCRA) provides protections for individuals who elect breast reconstruction after a mastectomy and requires employers to inform health plan participants annually about this Act. Under WHCRA, group health plans offering mastectomy coverage must also provide certain services relating to the mastectomy. If you have had or are going to have a mastectomy, you may be entitled to certain benefits under WHCRA. For individuals receiving mastectomy-related benefits, coverage will be provided in a manner determined in consultation with the attending physician and the patient, for the following:

- All stages of reconstruction of the breast on which the mastectomy was performed
- Surgery and reconstruction of the other breast to produce a symmetrical appearance
- Prosthesis
- Treatment of physical complications of the mastectomy, including lymphedema

These benefits will be subject to the same deductibles and coinsurance applicable to other medical and surgical benefits provided under your medical plan.

## Health Insurance Portability and Accountability Act (HIPAA) Special Enrollment Periods

Under the special enrollment provisions of HIPAA, you may be eligible, in certain situations, to enroll in a Sandia medical or vision Program during the year.

- If you declined enrollment in a Sandia medical or vision Program for yourself or your eligible dependents (including your spouse) because of other group or individual medical or vision coverage, you may be able to enroll yourself and your eligible dependents in a Sandia medical or vision Program during the year. This special enrollment may be available if, during the year, you or your eligible dependent(s) lost coverage under a non-Sandia-sponsored individual or group medical or vision plan (regardless of whether the person who lost coverage is eligible for or elected COBRA continuation coverage). For this purpose, a loss of coverage may include:

- Coverage ended due to loss of eligibility;
- Employer contributions to the plan stopped;
- The plan was terminated;
- COBRA coverage ended; or
- The lifetime maximum for medical benefits was exceeded under the non-Sandia-sponsored medical or vision plan.

You must request special enrollment in a Sandia medical or vision Program within 31 calendar days of the loss of coverage, otherwise, you will need to wait until the open enrollment period. Coverage will be effective as of the date of loss of coverage or upon receipt of enrollment paperwork, whichever is later.

- If you gain a new dependent during the year as a result of marriage, birth, adoption or placement for adoption, you may enroll that dependent, as well as yourself and any other eligible dependents, in the medical or vision Program.

You must request special enrollment in a Sandia medical or vision program within 31 calendar days of the event, otherwise, you will need to wait until the open enrollment period. If the event is birth, adoption, or placement for adoption, coverage will be retroactive to the date of the event. If the event is marriage, coverage will be effective as of the date of the event or upon receipt of enrollment paperwork, whichever is later.

- Effective April 1, 2009, if you or your eligible dependent is eligible for Sandia medical or vision coverage, but not enrolled, you may request enrollment before the next annual open enrollment period under the following circumstances:
  1. You and/or your dependent(s) become eligible for a premium assistance subsidy under Medicaid or the Children’s Health Insurance Program (CHIP) with respect to coverage under a Sandia medical or vision Program, if you request coverage under a Sandia medical or vision Program no later than 60 days after the date you or your dependent(s) is determined to be eligible for such assistance.
  2. Coverage under Medicaid or CHIP for you and/or your dependent(s) is terminated as a result of loss of eligibility for such coverage, and you request coverage under a Sandia medical or vision Program no later than 60 days after the date of termination of such coverage.

**To request special enrollment or obtain more information, contact HBE Customer Service at 505-844-HBES (4237).**

**Note:** Special enrollment rights allow you to either enroll in your current medical Program or enroll in any medical Program for which you and your dependents are eligible.





Ask a Question at <http://hbe.sandia.gov>

Customer Service: (505) 844-HBES (4237)

or (800) 417-2634, ext. 844-HBES (4237)

## Your Health. Take Charge.

Sandia Corporation's benefit plans are maintained at the discretion of Sandia. They do not create a contract of employment. The plans may be suspended, modified, or discontinued at any time and without prior notice, subject to applicable collective bargaining agreements and except as otherwise provided by applicable law.

Sandia is a multiprogram laboratory operated by Sandia Corporation, a Lockheed Martin Company, for the United States Department of Energy's National Nuclear Security Administration under contract DE-AC04-94AL85000.

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